

NOTE: CHANGES MADE BY THE COURT

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

AMERICAN HOME SERVICING
CENTER, LLC,

CAPITAL HOME ADVOCACY
CENTER,

NATIONAL ADVOCACY CENTER,
LLC,

JAIME ABURTO, a/k/a James Aburto,
and Jamie Aburto, individually, as an
officer of American Home Servicing
Center, LLC and National Advocacy
Center, LLC, and d/b/a A.H.S.C.,
American Home Servicing Center, Local
Page, NAC, National Servicing Center,
NSC Processing, and Secured Processing,

MARCUS FIERRO, JR., individually, as a
member of American Home Servicing

Case No. SACV 18-00597-JLS-
KESx

**PRELIMINARY
INJUNCTION WITH ASSET
FREEZE, LIMITED
EXPEDITED DISCOVERY,
AND OTHER EQUITABLE
RELIEF AS TO
DEFENDANTS EVE
CHRISTINE RODRIGUEZ
AND SERGIO LORENZO
RODRIGUEZ**

Center, LLC and National Advocacy Center, LLC, and d/b/a A.H.S.C. and American Home Servicing Center,

EVE CHRISTINE RODRIGUEZ, a/k/a Elizabeth Davis, Elizabeth Powers, Christina Rodriguez, Christine Rodriguez, and Elizabeth Rodriguez, individually, as a manager of American Home Servicing Center, LLC, a member of Capital Home Advocacy Center, and d/b/a National Advocacy Group,

and SERGIO LORENZO RODRIGUEZ, a/k/a Sergio Lawrence, individually, as a manager of American Home Servicing Center, LLC, a member of Capital Home Advocacy Center, and d/b/a National Advocacy Group,

Defendants.

Plaintiff, the Federal Trade Commission (“FTC”), pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), and the 2009 Omnibus Appropriations Act, Public Law 111-8, Section 626, 123 Stat. 524, 678 (Mar. 11, 2009) (“Omnibus Act”), as clarified by the Credit Card Accountability Responsibility and Disclosure Act of 2009, Public Law 111-24, Section 511, 123 Stat. 1734, 1763-64 (Mar. 22, 2009) (“Credit Card Act”), and amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111-203, Section 1097, 124 Stat. 1376, 2102-03 (July 21, 2010) (“Dodd-Frank Act”), 12 U.S.C. § 5538, has filed a complaint to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other

1 equitable relief for Defendants' acts or practices in violation of Section 5(a) of the
2 FTC Act, 15 U.S.C. § 45(a), and the Mortgage Assistance Relief Services Rule, 12
3 C.F.R. Part 1015 ("Regulation O"), and has applied for a preliminary injunction
4 order pursuant to Rule 65(b) of the Federal Rules of Civil Procedure.

5 On April 13, 2018, this Court issued its *Ex Parte Temporary Restraining*
6 *Order with Asset Freeze, Appointment of Temporary Receiver, Limited Expedited*
7 *Discovery, and Order to Show Cause Why Preliminary Injunction Should Not*
8 *Issue*. DE 20 ("TRO"). Defendants were ordered to appear at a hearing on April
9 26, 2018 to "show cause, if there is any, why this Court should not enter a
10 preliminary injunction, pending final ruling on the Complaint against Defendants,
11 enjoining the violations of the law alleged in the Complaint, continuing the freeze
12 of their Assets, continuing the receivership, and imposing such additional relief as
13 may be appropriate." *Id.* at 30. On April 26, 2018, at Defendants' request, this
14 Court granted a continuance of the TRO until June 8, 2018. On April 27, 2018,
15 this Court issued its *Preliminary Injunction with Asset Freeze, Appointment of*
16 *Receiver, Limited Expedited Discovery, and Other Equitable Relief as to*
17 *Defendants American Home Servicing Center, LLC, Capital Home Advocacy*
18 *Center, National Advocacy Center, LLC, and Marcus Fierro*.

19 Having considered the parties' pleadings, papers, and argument, the Court
20 hereby **GRANTS** the *Preliminary Injunction with Asset Freeze, Limited Expedited*
21 *Discovery, and Other Equitable Relief as to Defendants Eve Christine Rodriguez*
22 *and Sergio Lorenzo Rodriguez*.

23 **FINDINGS OF FACT**

24 This Court, having considered the FTC's Complaint, *ex parte* application,
25 declarations, exhibits, and memoranda filed in support of the FTC's application,
26 and the evidence presented, finds that:
27
28

1 1. This Court has jurisdiction over the subject matter of this case, and
2 there is good cause to believe it will have jurisdiction over all parties hereto;

3 2. There is good cause to believe that venue lies properly with this
4 Court;

5 3. On April 11, 2018, the FTC filed its *Complaint and Memorandum in*
6 *Support of Ex Parte Application for Temporary Restraining Order with Asset*
7 *Freeze, Appointment of Temporary Receiver, Limited Expedited Discovery, and*
8 *Order to Show Cause Why Preliminary Injunction Should Not Issue* (“*Ex Parte*
9 *Memo*”) and related pleadings. DE 1, 2; DE 7-9, 12-17;

10 4. On April 13, 2018, the Court entered its *Ex Parte Temporary*
11 *Restraining Order with Asset Freeze, Appointment of Temporary Receiver, Limited*
12 *Expedited Discovery, and Order to Show Cause Why Preliminary Injunction*
13 *Should Not Issue*. DE 20;

14 5. The TRO, and all of the related pleadings, was served on Defendants
15 by personal service pursuant to Rule 4 of the Federal Rules of Civil Procedure.
16 DEs 24, 46;

17 6. On April 26, 2018, at Defendants’ request, this Court granted a
18 continuance of the TRO until June 8, 2018. DE 42;

19 7. On April 27, 2018, this Court issued its *Preliminary Injunction with*
20 *Asset Freeze, Appointment of Receiver, Limited Expedited Discovery, and Other*
21 *Equitable Relief as to Defendants American Home Servicing Center, LLC, Capital*
22 *Home Advocacy Center, National Advocacy Center, LLC, and Marcus Fierro*. DE
23 43;

24 8. There is good cause to believe that the Court’s ability to grant
25 effective final relief for consumers in the form of monetary restitution and
26 disgorgement of ill-gotten gains will suffer immediate and irreparable damage
27 from Defendants’ transfer, dissipation, or concealment of Assets or business
28

1 records unless Defendants continue to be restrained and enjoined by Order of this
2 Court;

3 9. Good cause exists to permit the FTC to take limited expedited
4 discovery from third parties as to the existence and location of Assets and
5 Documents;

6 10. Weighing the equities and considering the FTC's likelihood of
7 ultimate success, a preliminary injunction order with an Asset freeze and other
8 equitable relief is in the public interest; and

9 11. No security is required of any agency of the United States for the
10 issuance of a preliminary injunction order. Fed. R. Civ. P. 65(c).

11 **DEFINITIONS**

12 For the purpose of this Order, the following definitions apply:

13 A. **"Asset"** means any legal or equitable interest in, right to, or claim to,
14 any property, wherever located and by whomever held.

15 B. **"Asset Freeze Accounts"** includes accounts that are held by or for the
16 benefit of, or controlled by, directly or indirectly, any Defendant or Receivership
17 Entity.

18 C. **"Defendant(s)"** means Eve Christine Rodriguez and Sergio Lorenzo
19 Rodriguez.

20 D. **"Document"** is synonymous in meaning and equal in scope to the
21 usage of "document" and "electronically stored information" in Federal Rule of
22 Civil Procedure 34(a), and includes writings, drawings, graphs, charts,
23 photographs, sound and video recordings, images, Internet sites, web pages,
24 websites, electronic correspondence, including e-mail and instant messages,
25 contracts, accounting data, advertisements, FTP Logs, Server Access Logs, books,
26 written or printed records, handwritten notes, telephone logs, telephone scripts,
27 receipt books, ledgers, personal and business canceled checks and check registers,
28

1 bank statements, appointment books, computer records, customer or sales
2 databases and any other electronically stored information, including Documents
3 located on remote servers or cloud computing systems, and other data or data
4 compilations from which information can be obtained directly or, if necessary,
5 after translation into a reasonably usable form. A draft or non-identical copy is a
6 separate document within the meaning of the term.

7 E. **“Electronic Data Host”** means any person or entity in the business of
8 storing, hosting, or otherwise maintaining electronically stored information. This
9 includes, but is not limited to, any entity hosting a website or server, and any entity
10 providing “cloud based” electronic storage.

11 F. **“Receiver”** means Krista L. Freitag, who was appointed in Section XI
12 of the *Preliminary Injunction with Asset Freeze, Appointment of Receiver, Limited*
13 *Expedited Discovery, and Other Equitable Relief as to Defendants American Home*
14 *Servicing Center, LLC, Capital Home Advocacy Center, National Advocacy*
15 *Center, LLC, and Marcus Fierro* (DE 43), and any deputy receivers that she
16 names.

17 G. **“Receivership Entities”** means American Home Servicing Center,
18 LLC (“American Home”), Capital Home Advocacy Center, (“Capital Home”), and
19 National Advocacy Center, LLC (“National Advocacy”), and each of their
20 subsidiaries, affiliates, successors, and assigns, as well as any other entity that has
21 conducted any business related to Defendants’ mortgage assistance operation,
22 including receipt of Assets derived from any activity that is the subject of the
23 Complaint in this matter, and that the Receiver determines is controlled or owned
24 by any Defendant.

1 **ORDER**

2 **I. PROHIBITED BUSINESS ACTIVITIES**

3 **IT IS THEREFORE ORDERED** that Defendants, their agents, employees,
4 and attorneys, and all other persons in active concert or participation with them,
5 who receive actual notice of this Order by personal service or otherwise, whether
6 acting directly or indirectly, in connection with the advertising, marketing,
7 promoting, or offering for sale of any goods or services, are restrained and
8 enjoined from misrepresenting or assisting others in misrepresenting, expressly or
9 by implication, any material fact, including, but not limited to:

10 A. Defendants' likelihood of obtaining mortgage loan modifications on
11 behalf of consumers;

12 B. Defendants' confirmation of mortgage loan modifications on behalf of
13 consumers; and

14 C. Any other fact material to consumers concerning any good or service,
15 such as: the total costs; any material restrictions, limitations, or conditions; or any
16 material aspect of its performance, efficacy, nature, or central characteristics.

17 **II. PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**

18 **IT IS FURTHER ORDERED** that Defendants, their agents, employees,
19 and attorneys, and all other persons in active concert or participation with any of
20 them, who receive actual notice of this Order, whether acting directly or indirectly,
21 are hereby restrained and enjoined from:

22 A. Selling, renting, leasing, transferring, or otherwise disclosing, the
23 name, address, birth date, telephone number, email address, credit card number,
24 bank account number, Social Security number, or other financial or identifying
25 information of any person that any Defendant obtained in connection with any
26 activity that pertains to the subject matter of this Order; and

1 B. Benefitting from or using the name, address, birth date, telephone
2 number, email address, credit card number, bank account number, Social Security
3 number, or other financial or identifying information of any person that any
4 Defendant obtained in connection with any activity that pertains to the subject
5 matter of this Order.

6 Provided, however, that Defendants may disclose such identifying
7 information to a law enforcement agency, to their attorneys as required for their
8 defense, as required by any law, regulation, or court order, or in any filings,
9 pleadings or discovery in this action in the manner required by the Federal Rules of
10 Civil Procedure and by any protective order in the case.

11 III. ASSET FREEZE

12 **IT IS FURTHER ORDERED** that Defendants and their agents, employees,
13 and attorneys, and all other persons in active concert or participation with any of
14 them, who receive actual notice of this Order, whether acting directly or indirectly,
15 are hereby restrained and enjoined from:

16 A. Transferring, liquidating, converting, encumbering, pledging, loaning,
17 selling, concealing, dissipating, disbursing, assigning, relinquishing, spending,
18 withdrawing, granting a lien or security interest or other interest in, or otherwise
19 disposing of any Assets that are:

- 20 1. Asset Freeze Accounts
- 21 2. owned or controlled, directly or indirectly, by any Defendant;
- 22 3. held, in part or in whole, for the benefit of any Defendant;
- 23 4. in the actual or constructive possession of any Defendant; or
- 24 5. owned or controlled by, in the actual or constructive possession
25 of, or otherwise held for the benefit of, any corporation, partnership,
26 asset protection trust, or other entity that is directly or indirectly
27 owned, managed or controlled by any Defendant.

1 B. Opening or causing to be opened any safe deposit boxes, commercial
2 mail boxes, or storage facilities titled in the name of any Defendant or subject to
3 access by any Defendant, except as necessary to comply with written requests from
4 the Receiver acting pursuant to its authority under this Order;

5 C. Incurring charges or cash advances on any credit, debit, or ATM card
6 issued in the name, individually or jointly, of any corporation, partnership, or other
7 entity directly or indirectly owned, managed, or controlled by any Defendant or of
8 which any Defendant is an officer, director, member, or manager. This includes
9 any corporate bankcard or corporate credit card account for which any Defendant
10 is, or was on the date that this Order was signed, an authorized signor; or

11 D. Cashing any checks or depositing any money orders or cash received
12 from consumers, clients, or customers of any Defendant.

13 The Assets affected by this Section shall include: (1) all Assets of
14 Defendants as of the time the TRO was entered; and (2) Assets obtained by
15 Defendants after the TRO was entered if those Assets are derived from any activity
16 that is the subject of the Complaint in this matter or that is prohibited by this Order.
17 This Section does not prohibit any transfers to the Receiver or repatriation of
18 foreign Assets specifically required by this order.

19 **IV. DUTIES OF ASSET HOLDERS AND OTHER THIRD**
20 **PARTIES**

21 **IT IS FURTHER ORDERED** that any financial or brokerage institution,
22 Electronic Data Host, credit card processor, payment processor, merchant bank,
23 acquiring bank, independent sales organization, third party processor, payment
24 gateway, insurance company, business entity, or person who receives actual notice
25 of this Order (by service or otherwise) that:

26 (a) has held, controlled, or maintained custody, through an account or
27 otherwise, of any Document on behalf of any Defendant or any Asset that has
28

1 been: owned or controlled, directly or indirectly, by any Defendant; held, in part
2 or in whole, for the benefit of any Defendant; in the actual or constructive
3 possession of any Defendant; or owned or controlled by, in the actual or
4 constructive possession of, or otherwise held for the benefit of, any corporation,
5 partnership, asset protection trust, or other entity that is directly or indirectly
6 owned, managed or controlled by any Defendant;

7 (b) has held, controlled, or maintained custody, through an account or
8 otherwise, of any Document or Asset associated with credits, debits, or charges
9 made on behalf of any Defendant, including reserve funds held by payment
10 processors, credit card processors, merchant banks, acquiring banks, independent
11 sales organizations, third party processors, payment gateways, insurance
12 companies, or other entities;

13 (c) has extended credit to any Defendant, including through a credit card
14 account, shall:

15 A. Hold, preserve, and retain within its control and prohibit the
16 withdrawal, removal, alteration, assignment, transfer, pledge, encumbrance,
17 disbursement, dissipation, relinquishment, conversion, sale, or other disposal of
18 any such Document or Asset, as well as all Documents or other property related to
19 such Assets, except by further order of this Court; provided, however, that this
20 provision does not prohibit a Defendant from incurring charges on a personal
21 credit card established prior to entry of this Order, up to the pre-existing credit
22 limit;

23 B. Deny any person, except the Receiver, access to any safe deposit box,
24 commercial mail box, or storage facility that is titled in the name of any Defendant,
25 either individually or jointly, or otherwise subject to access by any Defendant;
26
27
28

1 C. Provide Plaintiff's counsel and the Receiver, within three (3) days of
2 receiving a copy of this Order, a sworn statement setting forth, for each Asset or
3 account covered by this Section:

- 4 1. The identification number of each such account or Asset;
- 5 2. The balance of each such account, or a description of the nature and
6 value of each such Asset as of the close of business on the day on
7 which this Order is served, and, if the account or other Asset has been
8 closed or removed, the date closed or removed, the total funds
9 removed in order to close the account, and the name of the person or
10 entity to whom such account or other Asset was remitted; and
- 11 3. The identification of any safe deposit box, commercial mail box, or
12 storage facility that is either titled in the name, individually or jointly,
13 of any Defendant, or is otherwise subject to access by any Defendant;
14 and

15 D. Upon the request of Plaintiff's counsel or the Receiver, promptly
16 provide Plaintiff's counsel and the Receiver with copies of all records or other
17 Documents pertaining to each account covered by this Section or Asset, including
18 originals or copies of account applications, account statements, signature cards,
19 checks, drafts, deposit tickets, transfers to and from the accounts, including wire
20 transfers and wire transfer instructions, all other debit and credit instruments or
21 slips, currency transaction reports, 1099 forms, and all logs and records pertaining
22 to safe deposit boxes, commercial mail boxes, and storage facilities.

23 Provided, however, that this Section does not prohibit any transfers to the
24 Receiver or repatriation of foreign Assets specifically required by this order.

25 **V. FINANCIAL DISCLOSURES**

26 **IT IS FURTHER ORDERED** that any Defendant that has not yet provided
27 Financial Statements to the FTC in accordance with Section V of the TRO, within
28

three (3) business days of entry of this Order, shall prepare and deliver to Plaintiff's counsel and the Receiver:

A. A completed financial statement on the form attached to this Order as **Attachment A** (Financial Statement of Individual Defendant), and

B. a completed request for copy of a tax return on the form attached to this order as **Attachment B** (IRS Form 4506, Request for Copy of a Tax Return).

VI. FOREIGN ASSET REPATRIATION

IT IS FURTHER ORDERED that within five (5) business days of entry of this Order, to the extent not already done so in accordance with the TRO, each Defendant shall:

A. Provide Plaintiff's counsel and the Receiver with a full accounting, verified under oath and accurate as of the date of this Order, of all Assets, Documents, and accounts outside of the United States that are: (1) titled in the name, individually or jointly, of any Defendant; (2) held by any person or entity for the benefit of any Defendant or for the benefit of any corporation, partnership, asset protection trust, or other entity that is directly or indirectly owned, managed or controlled by any Defendant; or (3) under the direct or indirect control, whether jointly or singly, of any Defendant;

B. Take all steps necessary to provide Plaintiff's counsel and Receiver access to all Documents and records that may be held by third parties located outside of the territorial United States of America, including signing the Consent to Release of Financial Records appended to this Order as **Attachment C**.

C. Transfer to the territory of the United States all Documents and Assets located in foreign countries that are: (1) titled in the name, individually or jointly, of any Defendant; (2) held by any person or entity for the benefit of any Defendant or for the benefit of any corporation, partnership, asset protection trust, or other entity that is directly or indirectly owned, managed or controlled by any

1 Defendant; or (3) under the direct or indirect control, whether jointly or singly, of
2 any Defendant; and

3 D. The same business day as any repatriation, (1) notify the Receiver and
4 counsel for Plaintiff of the name and location of the financial institution or other
5 entity that is the recipient of such Documents or Assets; and (2) serve this Order on
6 any such financial institution or other entity.

7 **VII. NON-INTERFERENCE WITH REPATRIATION**

8 **IT IS FURTHER ORDERED** that Defendants, their agents, employees,
9 and attorneys, and all other persons in active concert or participation with any of
10 them, who receive actual notice of this Order, whether acting directly or indirectly,
11 are hereby restrained and enjoined from taking any action, directly or indirectly,
12 which may result in the encumbrance or dissipation of foreign Assets, or in the
13 hindrance of the repatriation required by this Order, including, but not limited to:

14 A. Sending any communication or engaging in any other act, directly or
15 indirectly, that results in a determination by a foreign trustee or other entity that a
16 “duress” event has occurred under the terms of a foreign trust agreement until such
17 time that all Defendants’ Assets have been fully repatriated pursuant to this Order;
18 or

19 B. Notifying any trustee, protector or other agent of any foreign trust or
20 other related entities of either the existence of this Order, or of the fact that
21 repatriation is required pursuant to a court order, until such time that all
22 Defendants’ Assets have been fully repatriated pursuant to this Order.

23 **VIII. CONSUMER CREDIT REPORTS**

24 **IT IS FURTHER ORDERED** that Plaintiff may obtain credit reports
25 concerning any Defendant pursuant to Section 604(a)(1) of the Fair Credit
26 Reporting Act, 15 U.S.C. § 1681b(a)(1), and that, upon written request, any credit
27
28

1 reporting agency from which such reports are requested shall provide them to
2 Plaintiff.

3 **IX. PRESERVATION OF RECORDS**

4 **IT IS FURTHER ORDERED** that Defendants, their agents, employees,
5 and attorneys, and all other persons in active concert or participation with any of
6 them, who receive actual notice of this Order, whether acting directly or indirectly,
7 are hereby restrained and enjoined from:

8 A. Destroying, erasing, falsifying, writing over, mutilating, concealing,
9 altering, transferring, or otherwise disposing of, in any manner, directly or
10 indirectly, Documents that relate to: (1) the business, business practices, Assets, or
11 business or personal finances of any Defendant; (2) the business practices or
12 finances of entities directly or indirectly under the control of any Defendant; or (3)
13 the business practices or finances of entities directly or indirectly under common
14 control with any other Defendant; and

15 Failing to create and maintain Documents that, in reasonable detail,
16 accurately, fairly, and completely reflect Defendants' incomes, disbursements,
17 transactions, and use of Defendants' Assets.

18 **X. REPORT OF NEW BUSINESS ACTIVITY**

19 **IT IS FURTHER ORDERED** that Defendants, their agents, employees,
20 and attorneys, and all other persons in active concert or participation with any of
21 them, who receive actual notice of this Order, whether acting directly or indirectly,
22 are hereby restrained and enjoined from creating, operating, or exercising any
23 control over any business entity, whether newly formed or previously inactive,
24 including any partnership, limited partnership, joint venture, sole proprietorship, or
25 corporation, without first providing Plaintiff's counsel and the Receiver with a
26 written statement disclosing: (1) the name of the business entity; (2) the address
27 and telephone number of the business entity; (3) the names of the business entity's
28

1 officers, directors, principals, managers, and employees; and (4) a detailed
2 description of the business entity's intended activities.

3 **XI. PROVISION OF INFORMATION TO RECEIVER**

4 **IT IS FURTHER ORDERED** that Defendants shall immediately provide
5 to the Receiver:

6 A. A list of all Assets and accounts of the Receivership Entities that are
7 held in any name other than the name of a Receivership Entity, or by any person or
8 entity other than a Receivership Entity;

9 B. A list of all agents, employees, officers, attorneys, servants and those
10 persons who are in active concert and participation with the Receivership Entities,
11 or who have been associated or done business with the Receivership Entities; and

12 C. A description of any documents covered by attorney-client privilege
13 or attorney work product, including files where such documents are likely to be
14 located, authors or recipients of such documents, and search terms likely to
15 identify such electronic documents.

16 **XII. COOPERATION WITH THE RECEIVER**

17 **IT IS FURTHER ORDERED** that Defendants, their agents, employees,
18 and attorneys, all other persons in active concert or participation with any of them,
19 and any other person with possession, custody, or control of property of or records
20 relating to the Receivership entities who receive actual notice of this Order shall
21 fully cooperate with and assist the Receiver. This cooperation and assistance shall
22 include, but is not limited to, providing information to the Receiver that the
23 Receiver deems necessary to exercise the authority and discharge the
24 responsibilities of the Receiver under this Order; providing any keys, codes, user
25 names and passwords required to access any computers, electronic devices, mobile
26 devices, and machines (onsite or remotely) and any cloud account (including
27 specific method to access account) or electronic file in any medium; advising all
28

1 persons who owe money to any Receivership Entity that all debts should be paid
2 directly to the Receiver; and transferring funds at the Receiver's direction and
3 producing records related to the Assets and sales of the Receivership Entities.

4 **XIII. NON-INTERFERENCE WITH THE RECEIVER**

5 IT IS FURTHER ORDERED that Defendants, their agents, employees,
6 attorneys, and all other persons in active concert or participation with any of them,
7 who receive actual notice of this Order, and any other person served with a copy of
8 this Order, are hereby restrained and enjoined from directly or indirectly:

9 A. Interfering with the Receiver's efforts to manage, or take custody,
10 control, or possession of, the Assets or Documents subject to the receivership;

11 B. Transacting any of the business of the Receivership Entities;

12 C. Transferring, receiving, altering, selling, encumbering, pledging,
13 assigning, liquidating, or otherwise disposing of any Assets owned, controlled, or
14 in the possession or custody of, or in which an interest is held or claimed by, the
15 Receivership Entities; or

16 D. Refusing to cooperate with the Receiver or the Receiver's duly
17 authorized agents in the exercise of their duties or authority under any order of this
18 Court.

19 **XIV. STAY OF ACTIONS**

20 IT IS FURTHER ORDERED that, except by leave of this Court, during
21 the pendency of the receivership ordered herein, Defendants, their agents,
22 employees, attorneys, and all other persons in active concert or participation with
23 any of them, who receive actual notice of this Order, and their corporations,
24 subsidiaries, divisions, or affiliates, and all investors, creditors, stockholders,
25 lessors, customers, and other persons seeking to establish or enforce any claim,
26 right, or interest against or on behalf of Defendants, and all others acting for or on
27 behalf of such persons, are hereby enjoined from taking action that would interfere
28

1 with the exclusive jurisdiction of this Court over the Assets or Documents of the
2 Receivership Entities, including, but not limited to:

3 A. Filing or assisting in the filing of a petition for relief under the
4 Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding
5 on behalf of the Receivership Entities;

6 B. Commencing, prosecuting, or continuing a judicial, administrative, or
7 other action or proceeding against the Receivership Entities, including the issuance
8 or employment of process against the Receivership Entities, except that such
9 actions may be commenced if necessary to toll any applicable statute of
10 limitations; or

11 C. Filing or enforcing any lien on any asset of the Receivership Entities,
12 taking or attempting to take possession, custody, or control of any Asset of the
13 Receivership Entities; or attempting to foreclose, forfeit, alter, or terminate any
14 interest in any Asset of the Receivership Entities, whether such acts are part of a
15 judicial proceeding, are acts of self-help, or otherwise.

16 Provided, however, that this Order does not stay: (1) the commencement or
17 continuation of a criminal action or proceeding; (2) the commencement or
18 continuation of an action or proceeding by a governmental unit to enforce such
19 governmental unit's police or regulatory power; or (3) the enforcement of a
20 judgment, other than a money judgment, obtained in an action or proceeding by a
21 governmental unit to enforce such governmental unit's police or regulatory power.

22 **XV. DISTRIBUTION OF ORDER BY DEFENDANTS**

23 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a
24 copy of this Order to each affiliate, telemarketer, marketer, sales entity, successor,
25 assign, employee, agent, independent contractor, client, attorney, spouse, and
26 representative of any Defendant, and shall, within ten (10) days from the date of
27 entry of this Order, provide Plaintiff and the Receiver with a sworn statement that
28

1 this provision of the Order has been satisfied, which statement shall include the
2 names, physical addresses, phone number, and email addresses of each such person
3 or entity who received a copy of the Order. Furthermore, Defendants shall not take
4 any action that would encourage agents, employees, salespersons, independent
5 contractors, attorneys, affiliates, successors, assigns, or other persons or entities in
6 active concert or participation with them to disregard this Order or believe that
7 they are not bound by its provisions.

8 **XVI. SERVICE OF THIS ORDER**

9 **IT IS FURTHER ORDERED** that copies of this Order and all other
10 pleadings, Documents, and exhibits filed contemporaneously with this Order, may
11 be served by any means, including facsimile transmission, electronic mail or other
12 electronic messaging, personal or overnight delivery, U.S. mail or FedEx, by
13 agents and employees of Plaintiff, by any law enforcement agency, or by private
14 process server, upon any Defendant or any person (including any financial
15 institution) that may have possession, custody or control of any Asset or Document
16 of any Defendant, or that may be subject to any provision of this Order pursuant to
17 Rule 65(d)(2) of the Federal Rules of Civil Procedure. For purposes of this
18 Section, service upon any branch, subsidiary, affiliate or office of any entity shall
19 effect service upon the entire entity.

20 **XVII. CORRESPONDENCE AND SERVICE ON PLAINTIFF**

21 **IT IS FURTHER ORDERED** that, for the purpose of this Order, all
22 correspondence and service of pleadings on Plaintiff shall be addressed to:

23 Elsie Kappler
24 Simon Han
25 Federal Trade Commission
26 600 Pennsylvania Ave., NW, Mail Drop CC-9528
27 Washington, DC 20580
28 Telephone: (202) 326-2466, -2495
ekappler@ftc.gov, shan@ftc.gov

1 **XVIII. RETENTION OF JURISDICTION**

2 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of
3 this matter for all purposes.

4 **IT IS SO ORDERED**, this 12th day of June, 2018, at 12:00 PM, Pacific
5 Time.

6
7
8 Dated: June 12, 2018

A handwritten signature in black ink, appearing to read "Josephine L. Staton", written over a horizontal line.

9 HON. JOSEPHINE L. STATON
10 UNITED STATES DISTRICT JUDGE
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28